

Promoting Employment

MORE AND BETTER WORK

***WHAT CAN THE TRADE UNION MOVEMENT DO
TO PROMOTE PRACTICAL EMPLOYMENT INITIATIVES
IN THE EU'S MEMBER STATES?***

Kopenhagen, 29 November 2012

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What can trade unions do ?

- Do not expect miracles!**
- Do not believe in spin-doctors!**
- Have a thorough look at the facts!**
- Analyse and transfer good practice!**
- Head for social dialogue!**
- Convince employers!**

No job-miracle in Germany

*What helped stabilising employment
and the economic system in 2009 / 2010*

Three employment - instruments

“Kurzarbeit”

Statutory short-time work

- **Efficient social insurance**
- **Well-prepared unemployment funds**
- **Social dialogue at enterprise level
as well as at social insurance level**
- **Adequate parliamentary framework**

< ~ 1920 / ~ 1960 >

“Beschäftigungssicherungs-Tarifverträge” ***Employment protection collective agreement***

- **“VW-Modell” (crisis 1993/1994)**
- **Exchange of working-time & wage-components against job-security for a limited period**
- **Social dialogue with enterprises and affected branches**
- **Experienced social partners**

< ~ 1995 >

“Langzeit-Arbeitszeitkonten”

Long term working-time-accounts

- **Transfer of overtime hours into secured long-term accounts**
- **Experienced social partners orientated on tough negotiations**
- **Strict legal framework**

< ~ 2000 >

What helped stabilising employment and economy in Germany 2009 / 2010 ?

- 10 % deficit-spending <~1920>**
- 30 % Statutory short-time work <~1960> <~1995>**
- 30 % Employment protection collective agreement**
- 30 % Long term working-time-accounts <~2000>**
- 0 % Hartz-Reform-Agenda <~2005>**
- 0 % Miracles <~2010>**

What did the Hartz-Reform-Agenda contribute to employment 2009 / 2010 ?

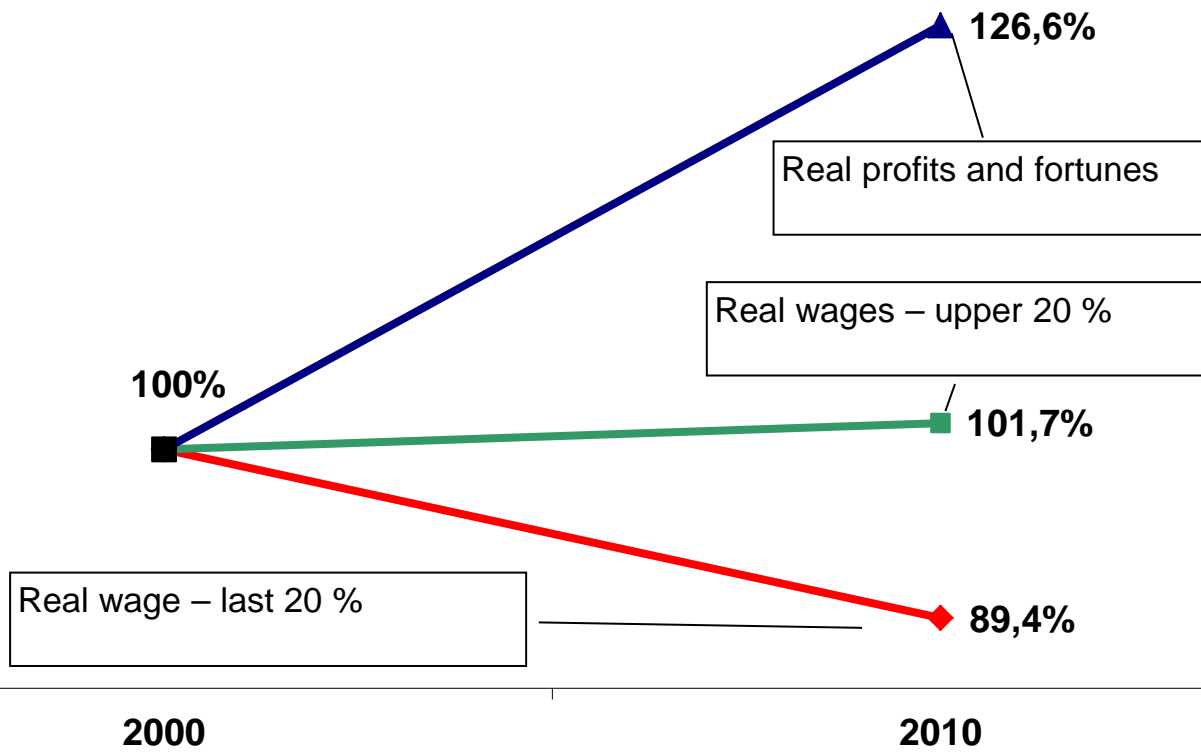
Deepening the crisis through destabilisation of employment and a shift towards precarious employment:

- Temporary work / Labour leasing**
- Fixed term work contracts**
- Minor part-time jobs**
- Dequalification**



ver.di Bundesvorstand
Wirtschaftspolitik

Winners and Losers



Quelle: Volkswirtschaftliche Gesamtrechnung und DIW-Wochenbericht 45/2011, eigene Berechnungen

PRACTICAL EMPLOYMENT INITIATIVES (I)

- **Fill-up social-insurance unemployment funds**
(be prepared for the following crisis)
- **Fill-up working-hours-accounts**
(be prepared for the next crisis)
- **Be aware of new negotiations of employment protection collective agreement to ensure employment** *(be prepared for the coming crisis)*

< Aiming at internal flexibility >

PRACTICAL EMPLOYMENT INITIATIVES (II)

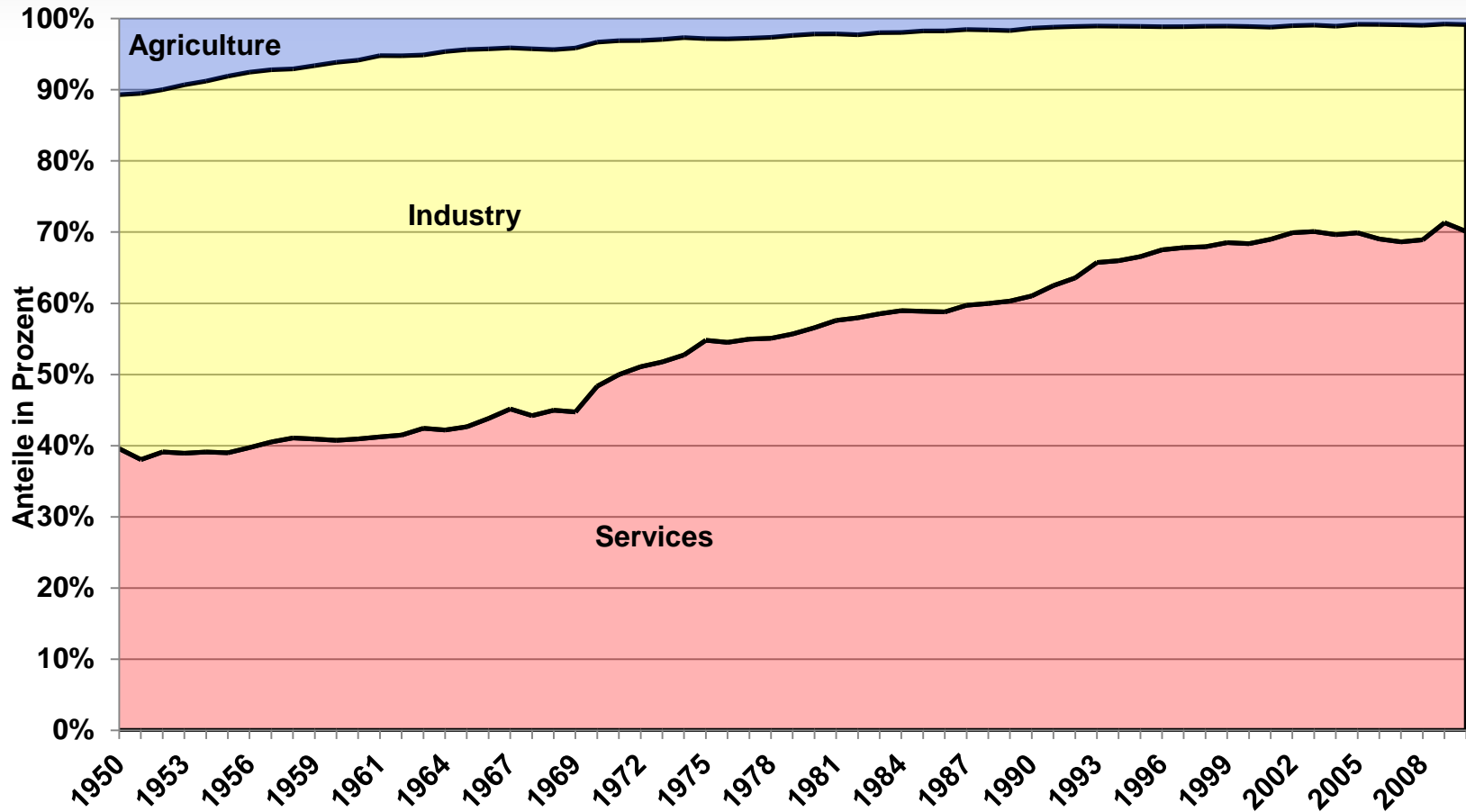
- **Stick to internal flexibility and social partners**
- **Leave the Hartz-Reform-Agenda and external-flexibility-path**
- **Be orientated on real economy (industries and services), and free real economy from being driven and chased by virtual economy**
- **Face the fiscal and financial risks**
- **Govern financial markets instead of being governed by financial market actors**
- **Labour market policies and real economy cannot correct the failures of virtual economy**

PRACTICAL EMPLOYMENT INITIATIVES (III)

- Follow and prolong experienced paths of employment**
- Don't believe in futurism predicting "no more employment"**
- Diminishing employment within the industrial sector**
- Growing employment within the service sector**
 - 70 % of employment**
 - 70 % creation of value**

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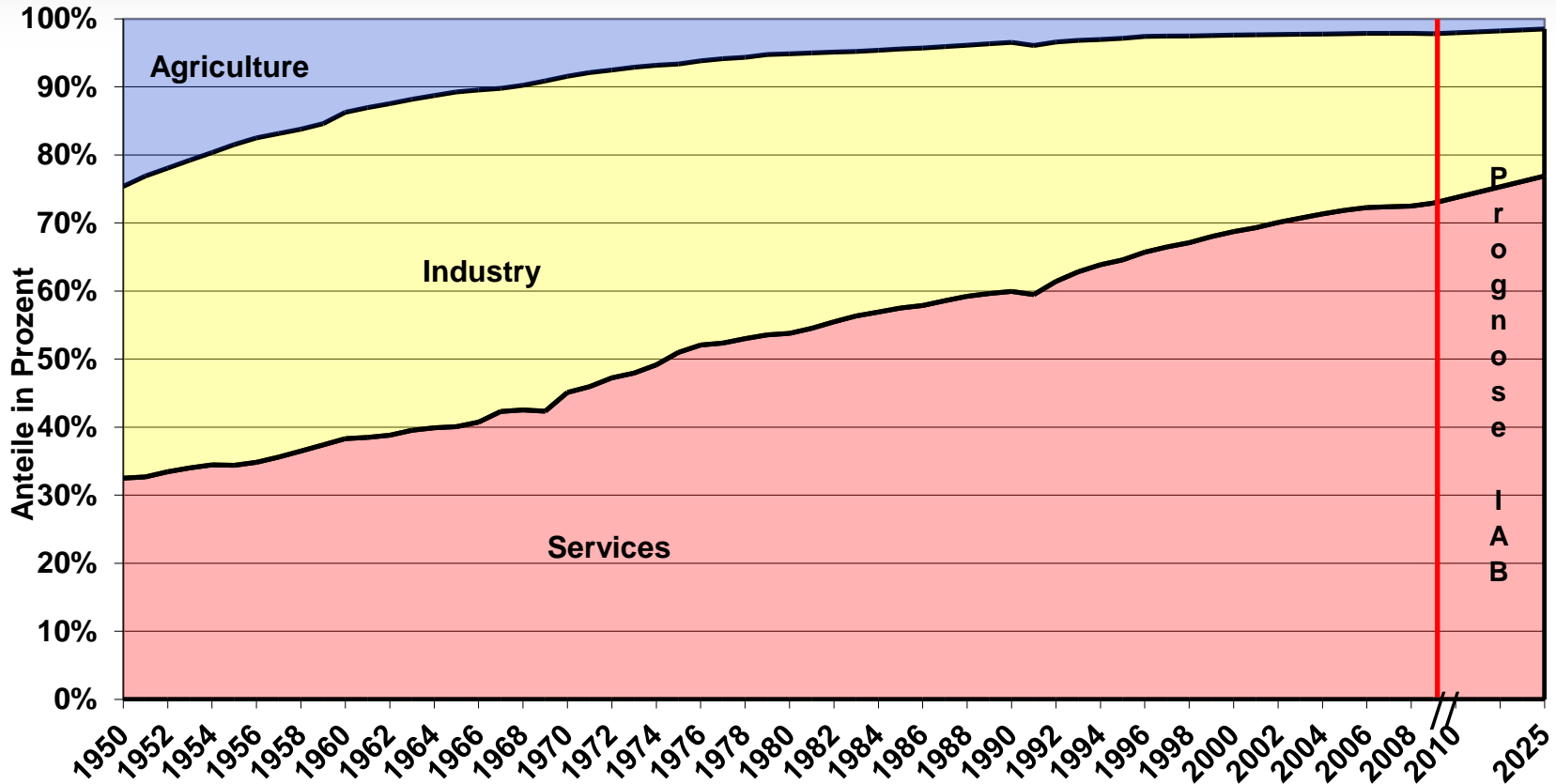
Development of gross value added



Quelle: Statistisches Bundesamt: Volkswirtschaftliche

*) Bis 1990 früheres Bundesgebiet einschl.

Employment in Germany

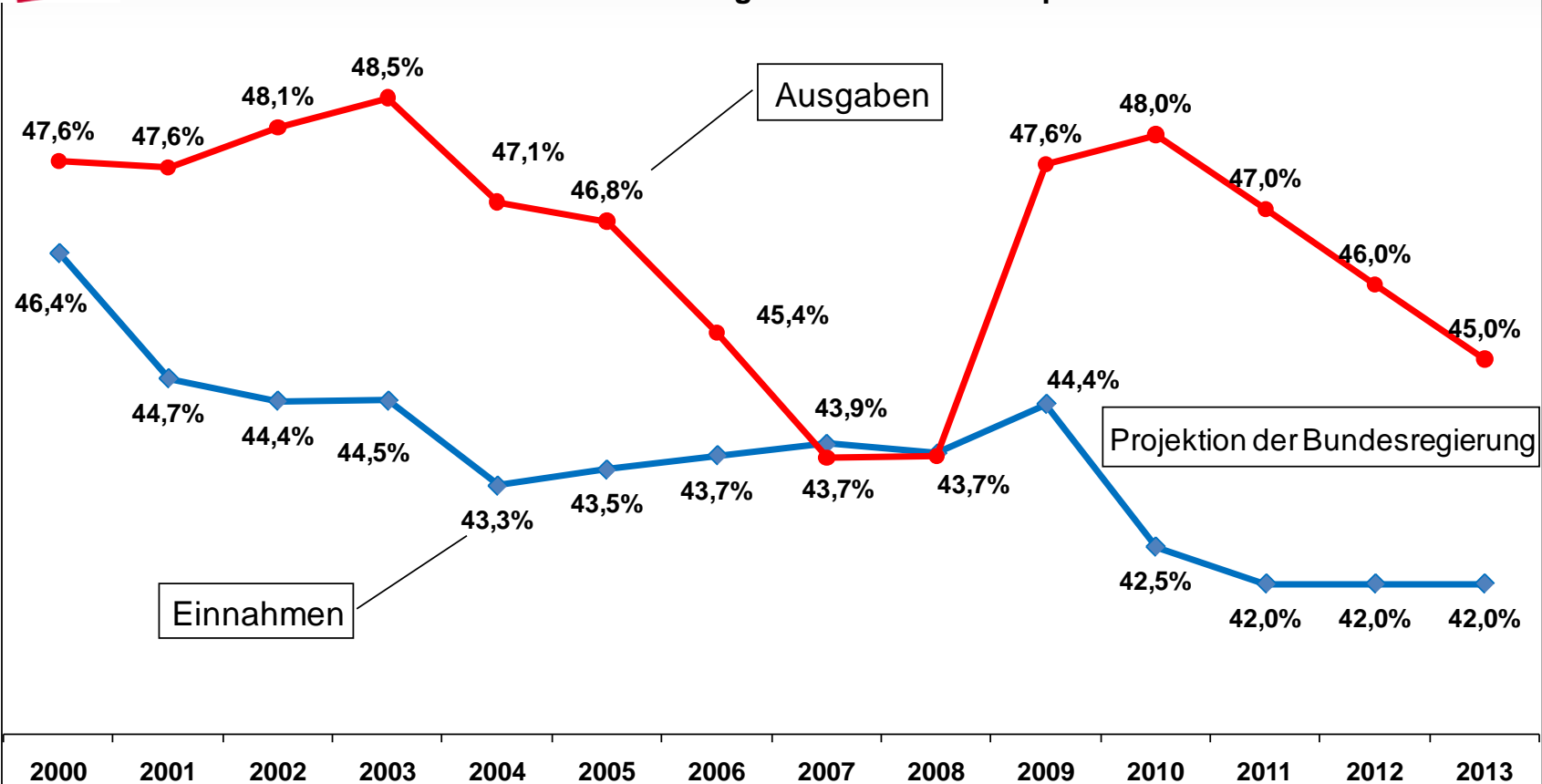


Quelle: Daten bis 2009: Statistisches Bundesamt: Volkswirtschaftliche Gesamtrechnung; bis 1990 früheres Bundesgebiet einschl. Berlin-West

Sozialstaat in der Krise

Anteil von Staat und Sozialversicherungen am Bruttoinlandsprodukt

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Bereich Wirtschaftspolitik



Quelle: Statistisches Bundesamt 2009 und Bundesregierung, Deutsches Stabilitätsprogramm, Januar 2010

PRACTICAL EMPLOYMENT INITIATIVES (IV)

Look at the development of the service sector:

- Parts of the service sector are changing**
- Parts of the service sector are increasing:
e.g. individual-related services (care,
education, leisure, ...)**
- Finance soc. services through social insurance
budgets and local and national state-budgets**
- Focus on real instead of virtual services**

Thank you

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